

Answers to Dr. Coburn's QFRs for Cardell Cooper
Provided to Liz Scranton on July 28, 2006

Question 1: You stated at the hearing that there has not been any dialogue between HUD and the CDBG program stakeholders regarding the proposed CDBG formula. Since the proposed CDBG formula is a variant of option 4 of the CDBG Formula study released by HUD to Congress and the public in February 2005, is it also your position that none of the stakeholders provided HUD with comments on the study? Have any of the stakeholders been briefed by HUD on the study?

Answer 1: I assumed the position of Executive Director for the National Community Development Association (NCDA) on March 1, 2006. I don't know what meetings occurred between HUD and NCDA or any of the other stakeholders prior to that date on the formula study.

Question 2: In your testimony, you oppose fixing the broken CDBG formulas by stating there are no "winners." I want to give you an opportunity to make the record clear. Do you really support the status quo that perpetuates unfair targeting of CDBG funds like the following examples demonstrate?

High-Need Areas: Temple, TX has \$19,360 per capita income but only receives \$15 per capita CDBG; Hopewell, VA has \$16,338 per capita income but only receives \$10 per capita CDBG.

Low-Need Areas: Oak Park, IL has \$36,340 per capita income but receives \$39 per capita CDGG; Newton, MA has \$45,708 per capita income but receives \$28 per capita CDBG

As a former mayor of a high-need city, why would you want to perpetuate unfair and wasteful targeting of CDBG funds?

Answer 2: I support the CDBG program. It is a program that provides flexibility to communities nationwide to help their low- and moderate-income citizens. In fact, according to HUD, over 95% of the FY 2004 CDBG funds were allocated by States and local governments to persons at or below 80% of area median income. HUD is responsible for monitoring all CDBG grantees to ensure there is no waste, fraud, or abuse in the program.

Question 3: In your testimony, you state your opposition to the Challenge Grants that award distressed communities for effective targeting of CDBG funds. Your reason is that this new program would be a diversion of the limited money in the program. Yet you wholeheartedly endorse the status quo which diverts these limited funds by taking them away from the neediest communities and

giving them to the wealthiest—why would your position be such a contradiction?

Answer 3: Yes, the Challenge Grant would be a diversion of limited formula funds.

Question 4: Why do you and the organizations you are representing oppose removing the wealthiest communities from the CDBG eligibility list? Is it your position that no matter how economically vibrant a community becomes, wealthy communities should continue to take away funding from poor communities? Given the current financial crisis of the US Government and our limited resources, why should the country sink further into debt in order to send hundreds of millions of dollars to wealthy communities that have the resources to take care of their own local needs?

Answer 4: Poor people reside in wealthy communities. Without programs like CDBG, these citizens are not guaranteed assistance. The federal government cannot require any community to use their own resources to supplant this – or any federal – program. Some would argue that to try to do so is forcing “unfunded mandates” on local governments.

Question 5: In your testimony you state that the CDBG program has already been reformed with new performance measures, but you say holding grantees accountable for failing to perform is “redundant.” Why do you support waste, fraud, and abuse of CDBG dollars without guaranteed consequences? How can performance measures have any meaning without real and guaranteed consequences?

Answer 5: Making the performance measurement system statutory would be “redundant” because the system is already in place through regulation. I do not support waste, fraud, and abuse in any federal program and if such occurs, the person committing such acts should be punished to the fullest extent of the law. HUD has the power to ensure that grantees comply with the performance measurement system. NCDCA is wholeheartedly supportive of this system and, in fact, participated with HUD and OMB in the creation of the system.

Question 6: You site various studies and reports regarding the number of jobs created, homes built or bought, and other indicators. But due to the lack of transparency and consistent data collection, how can the case be made that the jobs created or the homes built were not from other factors and other federal programs? How can we be sure that grantees or the Department of HUD are not gaming the system—for example, by claiming jobs that are temporary, jobs that employ residents outside of the community, or jobs that are transfers rather than newly created?

Answer 6: This is a question you should address to HUD, the federal agency responsible for collecting data on CDBG.

Question 7: In your testimony you refer to a study done by Professor Stephen Fuller of George Mason University that asserts the CDBG program created 2 million jobs and contributed \$129 billion to the Gross Domestic Product. How were these conclusions reached, and can you provide a copy of this report to the subcommittee?

Answer 7: The study was developed at the request of NAHRO. You can obtain a copy of the study through them.